

ASSEMBLY BILL

No. 829

Introduced by Assembly Member Caballero

February 26, 2009

An act relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 829, as introduced, Caballero. Sales and use taxes: exemption: manufacturing equipment.

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, and on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, and provides various exemptions from the taxes imposed by that law.

This bill would declare the intent of the Legislature to exempt from those taxes the sale of, and the storage, use, or other consumption of, manufacturing equipment used in the manufacturing process, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation that would exempt from specified state sales and use
- 3 taxes, the sale to, or use by, a manufacturer of tangible personal
- 4 property purchased for use in manufacturing or otherwise
- 5 processing property, or by a contractor performing a construction

1 contract for the manufacturer, or by a person purchasing the
2 property to use during the research and development process on
3 qualified research. It is further the intent of the Legislature to
4 require taxpayers with annual revenues of more than one million
5 dollars (\$1,000,000) to postpone the benefits of the exemption
6 until the first fiscal year in which the state budget deficit is
7 eliminated or a specified date.

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